

May 11, 1967

CONGRESSIONAL RECORD — SENATE

S 6693

horses: "Any horse foaled after Jan. 1, 1965, with scars around the coronet or pastern area (just above the hoof) is ineligible for competition." Plus, "The use of any substance on the coronet or pastern area which is evident during show performance is prohibited . . ."

For five years, since this newspaper and Sports Illustrated exposed the bloody business, the AHSA has been passing noose-tightening rules and the cruelty continues.

A MATTER FOR RHYME?

At that time despite published photos of horses bleeding to the extent of staining the tanbark of show rings, the AHSA officers didn't believe what they saw. The late Adrian Van Sinderen, then AHSA president, at the 1960 convention whitewashed the cruelty with a 32-line poem in his report:

*"If you desire a saddle horse,
A horse that's sure to please
Just buy yourself a walking horse,
And ride along with ease . . ."*

But before the three-day meeting ended the AHSA took its initial halting steps to curb the torture of the walking horse. Three months later at the Nashville (Tenn.) TWH breeders' annual dinner, Tennessee's Gov. Buford Ellington told 500 owners and trainers, "Either you stop messin' with walking horse cruelty or I'll chase every last one of you over the Great Smokey Mountains." Everybody smiled.

A TYPICAL PENALTY

Despite dozens of anti-cruelty rules in the AHSA book, the cruelty goes on. Here's an example why: Three trainers were found guilty of showing bleeding horses at Kansas City's American Royal Horse Show. So the AHSA directors suspended the three for three months until April 1, 1966, during the winter time when the horsemen wouldn't be showing anyway. That's a penalty?

In the walking horse, the longer and higher the stride, the better the ride and performance. Instead of taking months to teach the animal and being content with its best, the trainers apply a burning mercury ointment above the hooves. Soon the flesh is blistered.

On top of the hooves go upside-down cups of rubber called boots and inside the boots on top of the blisters are tacks. As the boots and tacks rub the flesh raw, the horse, to relieve the pain, barely touches the front feet to the ground. To keep his balance he increases the back stride. That's the way some show ribbons are won.

THE NEWEST DODGE

The latest trick is deliberately to drive a nail, in shoeing, into the horse's foot. That accomplishes the same result as the burning ointment and tacks. And there's no rule in the AHSA book about a nail in the foot.

STATEMENT BY MR. H. M. OLER, REPRESENTING THE AMERICAN HUMANE ASSOCIATION AND THE CHATTANOOGA, TENN., HUMANE EDUCATIONAL SOCIETY

(At the national celebration of the walking horse, Shelbyville, Tenn., Sept. 4, 1965)

I arrived at the horse show on Friday night, August 28, 1965.

SATURDAY, AUGUST 29, 1965

My first experience was seeing a sore mare. She was very stiff and sore and could barely walk.

I saw the blacksmith applying some chemical to a horse's hoof. The horse reacted violently to the pain. When the owner saw my identification, he took the horse and rode off. I could not follow and could not get the identity of the owner.

The horses were used constantly wearing heavy chains which tore their pasterns badly wearing the hair off—some were bleeding.

WEDNESDAY, SEPTEMBER 1

I saw a man cut a walking horse's foot at the coronet band with a razor blade, and

rub salt in the wound. I asked him what he did that for, he did not answer and when he saw my identification, he rode rapidly away.

Every night at the horse show, the horses were shown stiff and sore. After working and getting warmed up, they did not show so much stiffness. However, after standing, they moved sore after being judged. This seems to be routine.

In one class one of the exhibitors who had not been pinned, or tied, was angry and he jumped the gate (about 2 feet) out of the ring without getting permission to leave and without waiting for the gate to be opened. A policeman told me that when the rider got outside, he hit the horse in the head in anger.

H. M. OLER,

Humane Agent, Humane Educational Society of Chattanooga, Tenn.
(Representing the American Humane Association).

STATEMENT BY PEARL TWYNE, HUMANE OFFICER OF THE VIRGINIA FEDERATION OF HUMANE SOCIETIES

I arrived at the horse show on Thursday September 2, 1965.

THURSDAY, SEPTEMBER 2, ABOUT NOON

The first thing I saw was a black mare, later identified as the same one seen by Mr. Oler. This mare was so sore that she painfully set each foot down and quivered. She had to cross a small, shallow ditch, she spraddled and could not make it. I took pictures. The man leading her had to pull and yell at her to force her over the ditch.

I walked around the stabled area where the walking horses were kept. I saw a groom of the Circle Stables rubbing a liquid out of a bottle on the pastern area of the fore feet both fore and aft. There had been a purple colored dye on the feet, but the groom rubbed so hard that the color disappeared and a large raw spot appeared over the coronet band in front, and it became sore in back. The horse was cross-tied and could not get away. I asked the groom what the liquid would do, and he replied that it made the horse sting. The horse was swinging its foot back and forth. As I watched the horse assumed the typical walking horse stance.

I saw the same thing at barn No. 28, no name on the stall.

I saw walking horses being warmed up. They were all moving with the sore lick and were very stiff.

THURSDAY EVENING, SEPTEMBER 2

Class 41—No. 625, Ebony's Image—received the first ribbon. In my opinion the horse was very sore. I was sitting in the reserve section of the stadium and Mr. Oler was standing at the entrance. We both marked our individual programs, and we agreed (separately) that this yearling was very sore. We both thought that the entries in the class (Championship Walking Yearling) had been sore. We were unable to get the services of any veterinarian in the State of Tennessee to work with us, and did not have a veterinarian to confirm our opinions.

Class 43. Owner-amateur, walking mares, any age. All horses were sore to varying degrees. When the class was told to line up for judging, and were requested not to remove the boots until requested to do so, the grooms rushed in to brush the horses, and many of them threw dirt on the horses' feet. I have seen this happen in many shows and it was done to hide the blood and chafing.

Mr. Oler and I both agreed that No. 137, Go Boy's Dream; No. 140, Lady Godiva; and No. 337, Go Boy's Miss Nassau (one of the sorest in my opinion I have seen) were all sore. When No. 337 was pulled up, she almost fell. After being cooled when she moved her hocks were bent under at an absurd angle and pointed outward. No. 943, Miss Sun Glo and No. 960, Shadows Golden Girl were very sore in my opinion and that of Mr. Oler's.

Class No. 45 walking geldings, 4 years old and over.

No. 1191, Sun's Dark Demon was so sore and in danger of collapsing that a retired veterinarian sitting next to me remarked that the horse was either exhausted or overly sore and should have been removed from the class. But No. 1191 was kept in the class when the others (eliminated from competition) were dismissed. He was forced to work excessively around the ring in his condition. He was placed sixth, and the people around me gasped as they thought the horse would fall in the ring.

FRIDAY, SEPTEMBER 3

In the morning about 8 a.m. until 1 p.m., Mr. Oler and I walked around the grounds and I took both moving pictures and still shots in color. We saw the same conditions of sore walking horses being warmed up.

Specifically, one of the cruellest acts I have seen was done on the black mare that Mr. Oler and I had both seen earlier in the show. The one that was so sore. She was being dragged into the blacksmith, inching her way. She was in such pain that when the blacksmith's helpers were trying to remove her fore shoes, she closed her eyes, breathed hard, tucked her hind feet far in front of her, moaned and tried to lie down. She was cross tied and her trainer and/or her owner, jerked her and yelled at her. She stood swaying, breathing hard. They started to cut her feet, and I have never seen a horse with its feet cut so deep or the frog cut as this mare. They were down in the quick. A woman standing next to me had tears on her cheeks and she said "How can they do this?" She walked away. That mare was kept tied there from 3 to 4 hours. I walked away and came back several times. I could not bear to see them cutting her sore feet so deeply.

Mr. Oler came back after I left and he saw one blacksmith (or his helper) take up an electric torch, ground it on the mare's shoe (off side). A twitch had been put on her lip, and they burned her foot. They poured water on the foot and it steamed. Then they plunged the foot into a bucket of water. The owner and/or trainer held the mare's head throughout this torture. When the mare was led back to her stable, No. 21 in barn 52, Mr. Oler followed and when the mare had to be led down an incline to the stable, she could not walk but slid down trying to protect her forefeet. Later I saw her being worked in a ring with a young woman on her. I took moving pictures of her being ridden. When the woman saw me taking the pictures, she saluted me and left the ring. We could not find her, the mare, or the trainer afterward. Many people standing around in groups were commenting on the pitiful condition of this mare. She gave a beautiful performance of a show walking horse, flowing barely touching the ground with her forefeet.

AMERICAN HORSE PROTECTION ASSOCIATION, INC.,

Arlington, Va., February 6, 1967.

Senator JOSEPH D. TYDINGS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR TYDINGS: In the 89th Congress, you introduced Senate Bill No. 3338 which would make it unlawful for any person to transport or ship in interstate commerce any horse whose feet and legs have been made sore for the purpose of affecting or altering the natural gait through pain for competitive purposes. S. 3338 was referred to the U.S. Department of Agriculture for consideration. That Department gave an unfavorable report, and following a request from your office, the U.S. Department of Agriculture reconsidered its position. It sent veterinarians to visit the big and important horse shows to see whether such legislation was necessary. At the suggestion of your office I kept in touch with the U.S. Department of Agriculture to give them information

S 6694

CONGRESSIONAL RECORD — SENATE

B+C May 11, 1967
AMENDMENT OF EXPORT-IMPORT BANK ACT TO PROHIBIT CERTAIN EXTENSIONS OF CREDIT INIMICAL TO THE NATIONAL INTEREST

which would help them in their research. I think that Department has now reversed its position and feels that Federal legislation is necessary.

The American Horse Shows Association has adopted a rule for recognized shows that any horse foaled after January 1, 1965, with scars around the coronet or pastern area will be ineligible for competition. This rule has not stopped the cruelty as I have attended shows and have seen walking horses moving in severe pain. The trainers are more subtle, they are now driving nails in the feet, putting wedges in the frog of the foot, or injecting irritants in the sole near the heels. This is then covered with a pad, and the artificial foot placed over that. The horse often carries at least 8 pounds of weight on each fore foot.

Enclosed is material which covers the shows through 1966, the 1967 show season has not started. The State of California, Kentucky, and others use public money to finance State Fairs and horse shows. I wrote to the State Veterinarian, and he wrote me that his office requires that each Walking horse entered in these State financed shows, must permit manual examination of the walking horse's feet. In spite of this some are shown in pain. He says that if they cannot stop this, they will not finance this class. A copy of his letter is enclosed for your information.

You are known for your liberal views and for championing the underdog. These horses are badly ill-treated, and we respectfully urge you to reintroduce your bill in the 90th Congress. We will all work with you and do all in our power to get passage of the bill.

Hopefully,

Sincerely yours,

PEARL TWYNE,
President.

STATE OF CALIFORNIA,
DEPARTMENT OF AGRICULTURE,
Sacramento, November 2, 1966.

Mrs. PAUL M. TWYNE,
President, Humane Societies, Inc.,
Arlington, Va.

DEAR MRS. TWYNE: California has no law specifically pertaining to mistreatment of horses. However, the rules of the Division of Fairs and Expositions provide that Walking Horses must be examined by the judge or veterinarian and it is our policy to disqualify any horse found to be sore.

The California Professional Horsemen's Association and other horsemen's groups have been very cooperative in helping to enforce our rules and we have gone so far as to inform them, as well as the American Horse Shows Association, that unless the use of irritants ceases, we will remove Walking Horse performance classes from our Master Premium List. This would have the effect of barring this breed from the 51 shows presently sponsored by the State of California.

I agree that this is a national problem and we would certainly look with favor on any legislation which would be as severe as our rules or even more severe.

It seems that we are making good progress in this matter, but we still do have offenders in spite of our rather extensive program and would, of course, welcome any help we can get.

Sincerely,

THOMAS E. BAIR,
Chief, Division of Fairs and Expositions.

SENATE BILL 93—STATE OF WISCONSIN
An act to create 947.12 of the statutes, relating to cruelty to walking horses and prevention thereof and providing penalties

ANALYSIS BY THE LEGISLATIVE REFERENCE BUREAU

(The bill prohibits training, showing or exhibiting any horse whose legs or hoofs have been made sore and impose a penalty

for a violation. It also prescribes how a violation can be proved.

(The steward, manager or other person in charge of a horse show must have a state veterinarian present to examine the horses for a violation of the law and requires that violations be reported to the district attorney. A penalty is also imposed for a violation of these requirements.)

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

947.12 of the statutes is created to read:

"947.12 Cruelty to walking horses; prevention thereof.

"(1) (a) Whoever trains, shows or exhibits or causes to be trained, shown or exhibited any horse whose legs or hoofs are sore and have been made so for the purpose of affecting or altering the natural gait of the horse may be fined not less than \$50 nor more than \$500 or imprisoned not more than 6 months or both.

"(b) No walking horse shall be permitted to compete or be exhibited in any show, fair or exhibition for profit or pleasure, if said horse's front legs or hoofs show any evidence of any of the following:

"1. That chains were used on or applied to the horse to break its skin surface;

"2. That a blistering agent designed to and capable of making the horse's feet or hoofs sore was applied internally or externally to the horse;

"3. That burns, cuts or lacerations designed to and capable of making the horse's feet or hoofs sore were inflicted on the horse;

"4. That a chemical agent, tack, nail or wedge, designed to and capable of making the horse's feet or hoofs sore, was applied to the horse; or

"5. That any other method or device designed to and capable of making the horse's feet or hoofs sore was used on or applied to the horse.

"(2) (a) The steward, manager or other person in charge of every horse show, fair or exhibition where walking horses are shown or exhibited shall have a state veterinarian present thereat whose duty it is to examine the legs and hoofs of every walking horse before it enters the show ring to determine any violation of sub. (1). At the time of the examination the hoofs of the horse must be free of any covering whatsoever, so the entire hoof is open for inspection. The veterinarian shall be present in the show ring with the judge at the time said judge in accordance with the rules of judging walking horses examines and inspects the front legs and hoofs of the horses before making his awards and he shall assist the judge in the examination of each entry. If the examination discloses evidence of a violation of sub. (1) it is the duty of the steward, manager or other person in charge of the show, fair or exhibition to immediately disqualify the horse from further competition and in such case the state veterinarian and the steward, manager or other person in charge of the show, fair or exhibition shall immediately notify the district attorney of the county wherein the show, fair or exhibition is held of the facts, and supply him with the name of the horse, the name of the owner, the name of the trainer or handler and the name of the rider or exhibitor of the horse.

"(b) 'Walking horse' as used in this subsection means and includes the breed of horse known as a Tennessee walking horse.

"(c) Any person violating this subsection may be fined not less than \$25 nor more than \$100.

"(3) The director of the department of agriculture is charged with administering this section. He should direct the state veterinarian to make such inspections and examinations as he deems necessary to determine violations of this section and in particular shall direct the state veterinarian to be present at all horse shows where walking horses are shown."

Mr. TOWER. Mr. President, I introduced today for myself and Mr. HICKENLOOPER a bill which will tighten the restrictions on the operations of the Export-Import Bank, so as to prevent the use of credits extended by that bank for the purchase of U.S. materials which might ultimately result in strategic benefits to unfriendly Communist countries.

This bill is the outgrowth of efforts by the Export-Import Bank to approve a credit extension to a friendly country for purchase of U.S. automobile tooling machinery, which in turn would be transhipped to Russia for the purpose of increasing automobile production in Russia.

I am quite sure all Senators are aware of the proposed credit extension to Instituto Mobiliare Italiano, which in turn would make purchases of automobile machine tools in this country. These tools would be destined for use in completing a Fiat automobile plant in Russia.

Mr. President, I do not intend to at this time argue the merits or demerits of the proposed IMI-Fiat credit. There is much more to this proposal than a mere \$50 million worth of automobile machine tools to make more wheels available to Russia.

There is the precedent by which every Communist country in the world can obtain the benefits of Export-Import Bank credits, and U.S. manufacturing superiority, by inducing a non-Communist friend of ours to make application for Export-Import Bank credit for the specific purpose of buying U.S. products for transshipment to our friend's Communist friend.

The intent of the original Export-Import Bank Act was to assist in the expansion of U.S. exports and at the same time promote Russian development under the Communists, but when the Russians failed to keep their word on the payment of Russia's debts to the United States the Bank black-balled the Communists and they have not since been eligible for Export-Import Bank credits.

Not long ago, we saw the culmination of a deal by which Russia obtained wheat from this country with Export-Import Bank guarantees of payment to the U.S. wheat sellers, which was just another way of giving Russia the benefits but not the credit.

Now, we are about to see the creation of a new policy by which Russia and other Communists will get the benefits of the Export-Import Bank and U.S. manufacturing quality and ingenuity simply by hiding behind our friends who have been building good records with the Export-Import Bank.

When the House Banking and Currency Committee conducted hearings recently on the proposed IMI-Fiat deal, administration witnesses supported the proposal. They used numerous arguments, including the classic that "if they do not get the machinery from us they will buy it elsewhere."

This, Mr. President, leads to the question: "If such a position makes sense then why not make the sale of the ma-

chine tools direct to Russia? Why are we saying we are not making Export-Import Bank credits available to Russia and at the same time the bank's line of credit and U.S. machine tools available to Italy which in turn makes them available to Russia?

This is an excellent example of a truth gap in our foreign policy.

I wonder what the administration's foreign policy position would be if our friend, Mexico, with an Eximbank credit at least as good as IMI, would make application for a line of credit to buy automobile machine tools from the United States for the purpose of transshipment to Cuba?

The bill I introduce today would not only prohibit a line of Eximbank credit to Communist countries, but it also would prohibit the use of Eximbank credit by non-Communist countries for purchase of U.S. material to be transshipped for use in Russia.

There is the exception in this bill, Mr. President, whereby the President of the United States could approve either a line of credit to a Communist country, or the benefits derived from a line of credit made to a non-Communist country by the Eximbank, whenever the President determines that such approval would be in the national interest. He would be required, as he now is under the Foreign Assistance and Related Agencies Appropriation Act, to report such determination to the Senate and the House of Representatives within 30 days after said determination.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1766) to amend the Export-Import Bank Act of 1945 to prohibit certain extensions of credit inimical to the national interest, introduced by Mr. TOWER (for himself and Mr. HICKENLOOPER), was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF SECTION 109(e) OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. McCLELLAN. I introduce, for appropriate reference, a bill to amend section 109(e) of the Federal Property and Administrative Services Act of 1949, as amended, which would discontinue the specific statutory requirement that the Comptroller General make an annual audit of the general supply fund.

This bill is introduced at the request of the Comptroller General who reported that when the 1949 act was approved, the Federal departments and agencies were required to transmit their vouchers to the General Accounting Office for audit and settlement of the disbursing officers' accounts. Subsequently, Congress enacted the Budget and Accounting Procedures Act of 1950 and other laws which gave the General Accounting Office wide latitude, in determining the type and scope of its audits of agency accounts and records. The Comptroller General further reported that in the 17 years since the general supply fund was

established, the General Services Administration has strengthened its financial management program by first, installation of an accounting system approved by the General Accounting Office, second, adoption of an automatic data processing system with built-in controls and programed reporting features, and third, the use of internal audit and on-site audit of appropriations and funds under its control.

As a result of the changes in law and procedures since 1949, the Comptroller General contends that the audit required by section 109 of the Property Act is not needed and that ample authority exists under the broad general authority of the 1921 and 1950 acts to audit and review the operations of the fund, as follows:

There is no doubt but that the Accounting and Auditing Act of 1950 (31 U.S.C. 67) and the Budget and Accounting Act, 1921 (31 U.S.C. 53) provide ample authority for this Office to review the General Supply Fund when determined necessary or when requested to do so by any Committee of the Congress, whether they are examinations of financial statements or otherwise. In the absence of the specific audit requirement of the 1949 act, we would have the same freedom of choice under the broad general audit authority given to us under the 1950 and 1921 acts in selecting period and scope of financial reviews that we have in other areas in GSA, and in other agencies in general.

The enactment of this bill will permit the General Accounting Office to examine the financial statements, records, procedures, and audit of the supply fund when required on a test or sample basis, rather than in detail at the end of each fiscal year.

In conclusion, Mr. President, I request unanimous consent that a letter addressed to the President of the Senate, dated January 31, 1967, which contains additional justification and background on this bill, be printed in the RECORD, and made a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1767) to amend section 109(e) of the Federal Property and Administrative Services Act of 1949, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,

Washington, D.C., January 31, 1967.

Hon. HUBERT H. HUMPHREY,
President of the Senate.

DEAR MR. PRESIDENT: In accordance with the congressional mandate set out in section 312 of the Budget and Accounting Act, 1921, approved June 10, 1921, ch. 18, 42 Stat. 25, 31 U.S.C. 53, that the Comptroller General shall make recommendations to the Congress " * * * looking to greater economy and efficiency in public expenditures " and in order to provide flexibility in the programming of our audits thus permitting more effective use of our manpower, we wish to present for the consideration of Congress a legislative proposal to discontinue the specific statutory requirement that the Comptroller General shall make an annual audit of the General Supply Fund.

The General Supply Fund, as established

under section 109 of the Federal Property and Administrative Services Act of 1949, approved June 30, 1949, ch. 288, 63 Stat. 382, as amended, 5 U.S.C. 630g, was intended to finance (1) the centralized procurement of supplies, equipment, and nonpersonal services for the use of Federal agencies and (2) the repair, rehabilitation, and conversion of personal property. The act of September 1, 1954, ch. 1211, 68 Stat. 1126, 40 U.S.C. 491(d), made the General Supply Fund available also for financing the establishment, maintenance, and operation of interagency motor pool systems. Payments by requisitioning agencies are at prices fixed by the Administrator of General Services at levels which will recover, so far as practicable, all elements of cost except certain operating and administrative costs of the supply operation financed by annual appropriations.

The present requirement for making an annual audit of the General Supply Fund and submitting an annual report to the Congress is contained in section 109(e) of the Federal Property and Administrative Services Act of 1949, 5 U.S.C. 630g(e), which provides:

"The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund."

This 1949 audit requirement was derived, with some modification, from a similar requirement in the act of February 27, 1929, ch. 354, 45 Stat. 1342, which originally established a predecessor general supply fund in the Treasury Department. Our audit activities in 1929 were restricted generally to a centralized audit of vouchers transmitted by each agency to our Office for audit and settlement of the disbursing officers' accounts and did not necessarily include audits or reviews of financial statements nor verification of the amount of surplus or deficit. We therefore recommended the inclusion of specific audit authority in the legislation creating the General Supply Fund.

Nine reports have been issued to the Congress pursuant to the 1949 act. Each report includes an opinion as to the fairness of the financial statements. The earlier reports (through the report covering our audit of fiscal year 1959), contain findings beyond accounting or financial matters but starting with the report on our audit for fiscal year 1960, the reports have tended to be limited to the reporting of financial data and expressions of opinions on the financial statements, together with a summary of findings reported to the Administrator, General Services Administration. Our most recent audit of the General Supply Fund under the 1949 act was limited to examination of the financial statements for the purpose of rendering an opinion as to their fairness. The audit consisted of an examination of the financial statements of the General Supply Fund for fiscal year ended June 30, 1962, and our report thereon was submitted to Congress on April 9, 1963. Since then, we have not made an examination of the financial statements of the Fund.

We are convinced that there is no necessity today for a separate annual audit of the General Supply Fund or its financial statements. We have stated in our last eight audit reports to the Congress covering the fiscal years 1954 through 1962, that the financial statements prepared by the General Services Administration (GSA) for the fund, with only a few minor qualifications, presented

May 11, 1967

fairly the financial position of the General Supply Fund and the results of its operations. In the 17 years since its creation in 1940, GSA has developed much strength in its financial management program. GSA now has an accounting system that was approved by our Office on June 30, 1965. It also has an automatic data processing system with built-in controls and various edit routines and programmed reporting features, and other internal controls. In addition GSA has a segregation of duties in an effective accounting organization and an internal audit group. This, together with the safeguards offered through our other audit work hereinafter discussed, leads us to believe that the Congress can rely on the fairness of GSA's stewardship reporting under the General Supply Fund without having recourse to full-scale audits of financial statements as heretofore carried out by the General Accounting Office.

We also believe that our continuing on site audits of operations in GSA today adequately serve the purpose of the specific 1949 requirement for an annual audit of the General Supply Fund. The year following the enactment of the 1949 act, the Congress enacted the Accounting and Auditing Act of 1950, approved September 12, 1950, ch. 946, 64 Stat. 884, 31 U.S.C. 67, granting the General Accounting Office wide latitude in determining the type and scope of its audits of agencies in general. Under this authority the General Accounting Office, starting about 1957, has examined into many aspects of the activities of GSA financed through the General Supply Fund. In carrying out its responsibility for providing an efficient and economical system for the procurement and supply of personal property for the use of executive agencies, GSA's Federal Supply Service (FSS) (1) sells to Government agencies through GSA depots, or through direct delivery from vendors, certain common-use items; and (2) operates a Government-wide interdepartmental procurement program under which certain commonly used commercial-type supplies, equipment, and services are made available to Government agencies directly from the contractors. Some activities under the FSS procurement and supply program relate to the General Supply Fund exclusively while others do not involve the Fund. However, much of the FSS activity affects both Fund and nonfund matters, and our reviews may also involve both. (Of all Federal Supply Service procurements, about 40 percent involve the General Supply Fund.) For example, our report on savings attainable through elimination of locks from desks affects desks procured for stores stock and ultimate issue to agencies and at the same time affects desks ordered by using agencies for direct delivery from vendors.

A list of our reviews made under the collective authority of the Accounting and Auditing Act of 1950 (31 U.S.C. 67), and the Budget and Accounting Act, 1921 (31 U.S.C. 53), involving the Fund directly or indirectly, and resulting in reports to the Congress is attached.

There is no doubt but that the Accounting and Auditing Act of 1950 (31 U.S.C. 67) and the Budget and Accounting Act, 1921 (31 U.S.C. 53) provide ample authority for this Office to review the General Supply Fund when determined necessary or when requested to do so by any Committee of the Congress, whether they are examinations of financial statements or otherwise. In the absence of the specific audit requirement of the 1949 act, we would have the same freedom of choice under the broad general audit authority given to us under the 1950 and 1921 acts in selecting period and scope of financial reviews that we have in other areas in GSA, and in other agencies in general. This flexibility permits us to use our manpower more effectively.

We therefore strongly recommend that section 109(e) of the Federal Property and Administrative Services Act of 1949 be amended to read as follows:

"(e) As of June 30 of each fiscal year, there shall be covered into the United States Treasury as miscellaneous receipts any surplus in the General Supply Fund, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund."

In fulfillment of our responsibilities under the Accounting and Auditing Act of 1950 (31 U.S.C. 67) and as complementary adjuncts to our overall work programs previously described, we will continue to review and evaluate selected aspects of GSA's financial management procedures such as the continuing effectiveness of the accounting system, adequacy of internal audit work, and effectiveness of controls over cash, inventories, motor vehicles, and other property. In addition, to carry out our audit responsibility to settle accounts of accountable officers, each year we will make examinations, on a test basis, of all types of transactions conducted by GSA including those conducted under the General Supply Fund. Also, we will assure ourselves, as the 1949 act now contemplates, that the annual surplus, if any, of the General Supply Fund is covered into the United States Treasury.

This legislative proposal is also being made by letter of today to the Speaker of the House of Representatives.

Sincerely yours,

ELMER B. STAATS,
*Comptroller General
of the United States.*

REVIEWS MADE BY GAO WHICH INVOLVE THE GENERAL SUPPLY FUND

Procurement, storage, and delivery of fuel oil (report issued to the Congress, October 6, 1959, B-133235)

Procurement and storage of general-use hand tools by GSA for the Air Force (report issued to the Congress, February 13, 1962, B-146704)

Planning by GSA for automatic data processing equipment installed at its Washington Regional Office principally for Federal Supply Service stores operations (report issued to the Congress, August 20, 1962, B-146744)

Automatic data processing activities at selected regional offices, for the Federal Supply Service stores operation (report issued to the Congress, November 2, 1962, B-146732)

Utilization of excess personal property and disposal of surplus personal property (report issued to the Congress, November 30, 1962, B-146755)

Use of the direct-delivery method of supplying stores items by the Federal Supply Service (report issued to the Congress, August 20, 1963, B-114807)

Brand name procurements of personal property for stocking in GSA supply depots and self-service stores and subsequent issued to Federal agencies (report issued to the Congress, June 1, 1964, B-114807)

GSA requirement that general office desks bought by Federal agencies be equipped with locks (report issued to the Congress, October 22, 1965, B-114807)

GSA policy for multiple-award system of contracting (report issued to the Congress, April 12, 1966, B-114807)

The following reviews involving the Fund are currently in process under the collective authority of the 1950 and 1921 Acts:

Self-Service Store Operations—concentrating on slow moving items and overstocking of inventories

Items included in GSA supply system which had low or nonexistent demand and which were readily available from commercial sources

Follow-up review on unnecessary depot and transportation cost of supply items

Uneconomical and unnecessary items carried in the GSA supply system

Problems related to transfer of hand tool management from DOD to GSA

AN ADEQUATE COINAGE SUPPLY FOR AMERICA

Mr. KUCHEL. Mr. President, in 1965, a serious coin shortage afflicted the economy of the United States. In that year, I introduced legislation to revitalize the historic mint at San Francisco to help meet the coinage needs of the Nation. The 89th Congress authorized a limited operation at San Francisco with the following words:

The business of the United States assay office in San Francisco shall be in all respects similar to that of the assay office of New York except that until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of coins, its facilities may be used for the production of coins.

The San Francisco operation has proven invaluable, not only in relieving the serious national shortage of the time, but in maintaining an adequate supply of coins for America today. In a recent address, the Honorable Eva Adams, Director of the Mint, favorably commented on the assistance from San Francisco:

All of the extra effort undertaken to achieve record production levels at the Philadelphia and Denver Mints, plus good assistance from the San Francisco Assay Office, has let us develop ample coin inventories for all denominations but half dollars.

There is an important lesson to be learned from the recent emergency efforts required to replenish the national coinage drain. We must not allow our economy to be threatened by similar shortages in the future. It is the responsibility of both the Treasury Department and the Congress to plan for future needs and to take any step possible to insure a constant and continuing supply of coins for all America.

Nowhere is there a greater need for such a continuing coinage supply than in the States of the Far West. It is a well known fact that my State of California is experiencing a fantastic population explosion. Trade, both national and international, is rapidly expanding on the Pacific coast. Business development is keeping pace with the population growth. The dollar volume of sales in this area is rising far ahead of the rest of the Nation.

In order to meet the needs of more and more people buying more and more goods, the San Francisco Federal Reserve District has become the largest distributor of coins of all 12 districts. And yet, the present temporary operation of the assay office at San Francisco is the only coin-producing facility in the Far West today.

This was not always the case. Before its coin operations ceased and it was designated an assay office, the San Francisco Mint had been one of the principal producers of coins in America. Ever since the gold rush days, the mint supplied the coinage needs of the west coast. But

May 11, 1967

CONGRESSIONAL RECORD — SENATE

S6715

S. 1124, on the other hand, is a call for action with the entire project vested in a single federal agency. The IAFF, IAFC and IFAI are working together to see if these two proposals can be married into useful legislation. We welcome and encourage support of other fire organizations and individuals interested in reaching an acceptable solution.

Wingspread is now history. Hopefully, however, it will not be placed on the shelf to accumulate dust. The Wingspread Committee had absolutely no thought or desire to set itself up as some super body to chart the future course of the fire service.

The sole objective of this group was to provide some starting point for discussion.

If this objective has been accomplished, then the fire service will have a focal point from which we can truly begin—a design for progress.

THE 25TH ANNIVERSARY OF THE SEABEES

Mr. GORE. Mr. President, in recognition of the 1967 Seabee silver 25th anniversary, Gov. Buford Ellington, of the State of Tennessee, recently proclaimed Seabee Day in Tennessee.

I ask unanimous consent to have the text of the proclamation entered in the RECORD, at this point in my remarks.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION BY THE GOVERNOR, STATE OF TENNESSEE

Whereas, Early in 1942, at a time when the future security and life of our Republic were in critical danger, the United States Navy Civil Engineer Corps formed its now famous Construction Battalions—officially designated and popularly known as Seabees.

Whereas, Throughout the long months of World War II nearly a quarter of a million Seabees worked night and day to provide roadways, airstrips, and shore installations which enabled the armed might of our nation and its allies to prevail over the tremendous force of our enemies. In the Korean action as well, Seabees were actively engaged in amphibious landings and were important in helping stem the tide of Communist aggression in that part of the world.

Whereas, Today, wherever the interests of our nation require, the knowledge and ability of the Navy's Seabees are being used for the protection of the American people. Backing up those on full time active duty is a strong and vitally energetic Naval Seabee Reserve of construction men, trained and ready for future service to their country at any time the need arises.

Whereas, On this the 25th anniversary of their formation, it is fitting that we pay tribute to the gallantry and accomplishments of the Navy Seabees.

Now, therefore, I, Buford Ellington, Governor of the State of Tennessee, do hereby proclaim March 5, 1967 as Seabee Day in the State of Tennessee, and call the attention of our citizens to the proud record of the Navy's Seabees.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Tennessee to be affixed at Nashville, this 17th day of February, 1967.

BUFORD ELLINGTON,
Governor.

Attest:

JOE C. CARR,
Secretary of State.

FAYETTE ELECTRIC COOPERATIVE OF LA GRANGE, TEX., ADOPTS RESOLUTION OF SUPPORT FOR RURAL ELECTRIC BANK

Mr. YARBOROUGH. Mr. President, in recognition of the growing need for supplemental financing of the rural electrification program, the Fayette Electric Cooperative of La Grange, Tex., on April 26 unanimously adopted a resolution in support of present measures now before the Congress to provide for a rural electric bank. That proposal is now before the Senate in the bill S. 696, introduced by Mr. COOPER, of Kentucky, of which I am a cosponsor.

I ask unanimous consent that this resolution be inserted at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

FAYETTE ELECTRIC CO-OPERATIVE, INC.,
La Grange, Tex., May 5, 1967.

HON. RALPH W. YARBOROUGH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR YARBOROUGH: As Secretary of the Fayette Electric Cooperative, Inc., I take pleasure in forwarding to you the following copy of a resolution unanimously adopted at the recent annual membership meeting of the Cooperative in La Grange. Permit me to say, personally, that your support of our program is deeply appreciated by all the members of our Cooperative.

Upon being informed of the necessity for supplemental financing for the rural electric and rural telephone loan programs in order to provide for sufficient growth capital in the future, the following resolution was unanimously adopted April 26, 1967, by the 599 members of the Cooperative who were registered, present and voting at the annual meeting:

"Whereas, in recent years, the amounts of loan funds budgeted and authorized by Congress have not kept up with the growing requirements of rural electric and telephone systems to provide adequate and reliable service for their members; and

"Whereas, the loan fund shortage has caused a critical buildup of applications backlog and is an immediate problem affecting the future prospects of rural electric and telephone systems to build additional capacity to keep up the rising electric power and telephone needs of their consumers and customers; and

"Whereas, most rural electric and telephone systems are still not financially strong enough, while meeting the program area coverage requirements, either to operate successfully without the present REA 35-year loans or to go individually to the private money market for the capital they need; and

"Whereas, legislation is now pending in the United States Congress in the form of the Poage Bill (H.R. 1400) for establishing a rural electric credit system which we feel is equitable and fair to rural electric and rural telephone systems and to all other parties concerned; and

"Whereas, it is desirable that legislation providing for supplemental financing for the rural electric and telephone program be enacted at the earliest possible date;

"Now, therefore, be it resolved by the members of the Fayette Electric Cooperative, Inc. in Annual Meeting assembled that we hereby request of the Members of Congress their strong and unwavering support for the rural

electric credit system as embodied in the above described pending legislation as a means of providing capital for the future need of the rural electric and telephone programs; and that we emphasize the great necessity for such legislation to be passed in this session of Congress.

"Be it further resolved that we urge the Congress to make available to REA sufficient loan funds to provide for the growth requirements of rural electric and telephone systems until such time as the rural electric credit system is established and is able to meet such requirements.

"Be it further resolved that a copy of this resolution be sent to Congressmen J. J. (Jake) Pickle and Abraham Kazen and to Senators Ralph Yarborough and John Tower."

Respectfully submitted.

C. M. JANDA, Secretary.

IS SEDITION NOW RESPECTABLE?

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Is Sedition Now Respectable?" published in the Richmond, Va., Times-Dispatch of May 11, 1967.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IS SEDITION NOW RESPECTABLE?

Just where does one draw the line these days between free speech and sedition? The U.S. Supreme Court gives little comfort to those who are disturbed.

Open advocacy of sedition seems to be quite all right, under the court's latest decisions. Sedition is defined in Webster as "an insurrection against constituted authority," or "conduct consisting of speaking, writing or acting against an established government or seeking to overthrow it by unlawful means."

Latest development in this connection is the public declaration of a 29-year-old former history teacher from Chicago's Skid Row that he is "actively organizing sedition," along with other members of what is now termed the "New Left."

This character, Gregory Calvert, and his associates regard the Communists as totally outmoded, and entirely too tame and docile. "We are working to build a guerrilla force in an urban environment," he said cheerily the other day.

It isn't surprising that this potential armed guerrilla, headed for the streets of Chicago or New York, is pleased with his prospects. Burning of American flags, flying of Viet Cong flags, tearing up of draft cards have all come to be tolerated by our authorities, thanks largely to the Supreme Court.

Justice Michael A. Musmanno of the Pennsylvania Supreme Court said this week that flag-burnings constitute a threat to the nation's security, and that those responsible should be prosecuted ahead of persons charged with homicide and narcotics violations.

Justice Musmanno also said previously: When the highest court in the land says it is entirely proper in schools and colleges to advocate the overthrow of our government by force and violence, there will be disrespect for law, contempt for authority, and public display of aid and support for our Communist enemies.

Just what the country is coming to is difficult to determine, but it won't be anything good, if this sort of doctrine continues to be enunciated by the United States Supreme Court.

May 11, 1967

S6716

CONGRESSIONAL RECORD — SENATE

OBSERVATIONS ON EAST-WEST TRADE

Mr. MAGNUSON. Mr. President, on May 4, Acting Secretary of Commerce Alexander B. Trowbridge addressed an East-West trade conference at Bowling Green State University. His factual observations on the current growth of U.S. trade with Eastern Europe, his persuasive arguments for further expanding that trade across a range of nonstrategic items, and his realistic appraisal of the technical problems which liberalization of our commercial policy might create, should contribute significantly to the discussion on East-West trade.

I ask unanimous consent that the complete text of Acting Secretary Trowbridge's remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ACTING SECRETARY OF COMMERCE
ALEXANDER B. TROWBRIDGE AT EAST-WEST
TRADE CONFERENCE, BOWLING GREEN STATE
UNIVERSITY, BOWLING GREEN, OHIO, MAY
4, 1967

Two years ago, soon after becoming a government official, I made a short visit to Budapest to open the U.S. exhibition at the Budapest International Trade Fair.

While there, I had an opportunity to talk with some Hungarians. They lost no time in illustrating their type of self-directed humor which has gained some fame as one method of commentary on their form of government. Their jokes take the form of question and answer. "Why," they ask, "hasn't Switzerland become a socialist country?" They answer, "Because it is too small—it couldn't afford it!"

We here in the United States are not small. As we exert every effort to build a permanent peace, we are indeed too big to be able to afford automatic rejection of any potential avenue of peaceful engagement.

"Trade," Emerson wrote, "is a plant which grows wherever there is peace, as soon as there is peace, and as long as there is peace."

United States policy is to cultivate this plant of progress and mutual benefit in the soil of peaceful engagement between the East and the West.

The Administration, as President Johnson has stated clearly and often, favors the equitable liberalization of two-way trade in peaceful goods with the Soviet Union and Eastern Europe. We have taken a number of steps in this direction. We have sought Congressional action to further open the way. And we have encouraged the commercial activists of the private sector to move ahead in this area, as indeed they are now doing.

This broad approach is a central element in President Johnson's policy of building new bridges of "ideas, education, culture, trade, technical cooperation, and mutual understanding for world peace and prosperity." Peaceful trade can form one of the strongest and most durable of these bridges between East and West.

And, particularly with the passage of time, this expanding trade can yield tangible, meaningful material benefits on both the Eastern and Western ends of the bridge of commerce.

In this context, distinguished gatherings such as this one can play a major part in catalyzing progress. I am therefore very glad to be with you today, not only in personal terms, but within this far more important international framework.

The very fact that this meeting is being held emphasizes a most important mutual realization both in the East and the West:

Evolving conditions and evolving relationships in our complex, changing world demand that we be more flexible and forward looking—both in the East and in the West—in order to serve the peaceful and progressive future of all of our peoples. We know that to be hidebound and hypnotized by the divisions and antagonisms of former years is to serve only the past.

Even as we meet here today, the first industry-organized, government-approved United States trade mission is visiting Eastern Europe and the Soviet Union. We hope that during its stay in Moscow—as well as in Warsaw, Bucharest, and Belgrade—the Minneapolis Chamber of Commerce mission firmly plants its steps on the road to commercial growth.

And in addition, a second agricultural and business trade mission from California is now preparing to leave for Moscow next week on a trip that will also take them to the cities of Kiev, Kishinev, Krasnodar, and Kharkov. Their Moscow visit will coincide, as well, with the opening of the 21-nation international exhibition there—Inprodmas-67—at which some 18 United States companies will be displaying their food processing, packaging, and distribution equipment.

Add to this the series of industry-sponsored or government-organized U.S. trade groups that have operated in Poland, Hungary, Romania, and Bulgaria in the past few years—plus participation in numerous trade fairs and exhibits in this period—plus the initial U.S. trade mission to Czechoslovakia scheduled for later in 1967—and I believe you see examples of what I generally call a "steady movement from the permissive to the promotional" approach by our country as we consider East-West trade.

There are, of course, numerous other dimensions as well.

One was the significant growth of United States trade last year with the Soviet Union and the nations of Eastern Europe to the highest level in the past two decades—with the single exception of 1964 when an unusually large volume of wheat shipments inflated the total by \$180 million.

The two-way trade total in 1966 came to something over \$375 million compared to \$277 million in 1965, an increase on the order of 35 percent over-all, with a slightly larger increase in U.S. exports to the USSR and Eastern Europe than in U.S. imports from these nations. From 1965 to 1966, the U.S. export total rose from \$140 million to \$198 million, while the imports went from \$138 million to \$178 million.

Alongside aggregate U.S. two-way trade in 1966 of about \$55 billion this is not a very large total. Nor does it come to more than a small percentage of the volume of commerce that flows between the Soviet Union and Eastern Europe and other major trading nations.

For example, according to the preliminary figures that I have seen, trade between the Federal Republic of Germany and these nations last year exceed \$2 billion contrasted to the U.S. \$375 million. The figure for the United Kingdom was about \$1 billion, and Japan, France, and Italy all fell in the range between \$600 million and \$1 billion.

The United States total does take on added perspective, however, with consideration of two additional factors.

First, United States trade figures do not include exports by the overseas subsidiaries or licensees of U.S. firms. Rather, these are reflected in the trade statistics of host nations. Although solid figures are not available, such trade between European-based U.S. subsidiaries and licensees and the USSR and Eastern Europe appears to be growing rapidly.

Second, trade statistics are limited to commodities. Not included is the sales price or other monetary value of technical data or

services. Yet such trade constitutes an increasingly important share of exports eastward by U.S. industrial and engineering firms. An increasing number of such transactions have been licensed under the Export Control Act.

There have been cases where the likely return to the U.S. firm from the export of technical data to Eastern Europe was several million dollars, and others often are known to total in the hundreds of thousands. Cumulatively, this element of East-West trade could represent a sizeable addition to the value of exports reported for only the shipment of goods.

Although a generalization, we can say that United States participation in East-West trade is somewhat larger than suggested by the bare statistics, with a growth rate that is significant, and having potential for future expansion across a diverse range of peaceful products.

Such expansion will not come automatically, however. Considerable effort to build and broaden and strengthen the bridges of peaceful trade are necessary at both ends of the span. And considerable effort will be necessary to increase and enhance the flow of commerce across the bridges.

Let us not underestimate the difficulties of expanding trade at the same time as we are strongly committed to resist Communist aggression in Vietnam. We have adopted what I describe as a "dual track" policy. With one hand we confront such aggression where it must be resisted, and our resolve is firm. But in a time where pressures increase on one front, we need pressure relief valves on other fronts. Hence the desire to keep open channels of communication—in education, travel, culture—as well as trade.

President Johnson, carrying forward the efforts of the past three Administrations in today's evolving world environment, has acted in a number of ways to liberalize, to stimulate, and to support East-West trade as a part of our over-all, long-term policy toward Eastern Europe and Soviet Russia.

Export controls have been liberalized. More than 400 non-strategic items were removed from the Commerce Department's Commodity Control List late last year. These products, which now can be shipped without a specific license, cover a broad range including consumer products, textiles, certain metal manufactures and machinery, various chemical materials and products, and a considerable number of manufactured articles. In addition, the process of sitting, refining, and updating this list is an ongoing one. We want to make sure that our control list is realistic and unburdened with excessive or ineffective coverage.

Commercial credit facilities have been extended. In his October 7th speech, President Johnson authorized the Export-Import Bank to provide normal commercial credit guarantees on industrial export transactions with Poland, Czechoslovakia, Hungary, and Bulgaria—as provided in July 1964 for exports to Romania. Commercial credit facilities are an important concomitant to trade that must and do receive our continuing attention.

At the same time, the President announced that he had authorized the Export-Import Bank to extend a loan of some \$50 million to the Istituto Mobiliare Italiano to finance U.S. origin machine tools and other equipment for the automobile plant to be constructed by the Italian firm FIAT in the Soviet Union. Eximbank participation encourages U.S. businessmen to compete for these sales, assists FIAT in obtaining the finest equipment available, and tangibly expresses our support for projects designed to serve the consumer goods requirements of the people of the Soviet Union or Eastern Europe. While any equipment sold for this plant will be carefully examined to ascertain that it has basically peaceful applications,

May 11, 1967

we operate from the general approach that we would rather see traffic jams of automobiles than of tanks.

The East-West Trade Relations Act proposed by President Johnson can provide the conditions under which steady expansion can come about by authorizing the President to use non-discriminatory tariff treatment as a bargaining element in negotiating commercial agreements with these nations. The basis for this proposal was developed by a group of distinguished American business leaders led by Mr. Irwin Miller of the Cummins Engine Company.

Realistic judgment does not suggest that such legislative authority in itself would set in motion an immediate flood of two-way trade. But the power to extend such tariff treatment, which currently applies only to Poland of the nations concerned, could certainly help to increase the flow of East-West commerce.

I think it is true that the implementation of non-discriminatory tariff treatment has psychological and political overtones as well as commercial importance. But if we are serious about desiring to increase the levels of peaceful trade—which we are—then we should frankly face the impediments that exist and reduce them where possible. The Soviet Union and the nations of Eastern Europe will have to export to earn exchange to buy our products. We should recognize their need to operate under competitive conditions equal to other countries selling in our market.

Of course, agreements reached under this act would have to be based on mutual benefits. In return for the benefits of MFN treatment, the United States may seek settlement of commercial disputes, arrangements for protection of industrial property, provisions for promotion of U.S. products, entry and travel of commercial representatives, arrangements for market access and fair treatment for our goods, and settlement of claims.

Taken as a whole, as I say, these Administration measures represent a broad and energetic Administration approach. They are designed to reduce conspicuous obstacles to United States two-way trade with the Soviet Union and Eastern Europe.

Increasingly, we hope, the name of the game will become competition in each other's markets consistent with normal commercial relationships that extend across other international borders around the globe, and despite the differences in economic organization that exist between our countries.

The challenges, then, will be clear at both ends of the bridge. We will have to become increasingly aware of each other's market requirements, of competitive practices and conditions, of consumer likes and dislikes. We will have to develop advertising, promotional, and distribution techniques suited to the varying markets. We will have to be patient and flexible. Long and time-consuming exchanges are probably necessary in order to build the kind of mutual confidence we hope for as part of "peaceful engagement."

This problem is neither simple nor insoluble. To a considerable extent, the answer is likely to be fully realized only through experience. Such experience as has been gained by Western businessmen negotiating in the Soviet Union indicates the need for patient and skilled bargaining techniques. Experience of Soviet and Eastern European state trading agencies has probably shown them the need to adapt to the competitive demands of our free economies.

A number of approaches present themselves for the acquisition and broadening of such experience. Perhaps, to speed the orientation process, trade officials of the Soviet Union and Eastern Europe will want to broaden commercial relationships with businessmen in this country, and particularly importers. Perhaps it will be desirable in

some cases to contract certain business services in the United States, at least during this orientation process.

Or again, possibly businessmen and trade officials on both sides might think in terms of general approaches to broadening communications. Trade missions or fact finding tours, such as the TIME Inc. and Business International group visits, are undoubtedly useful. The use of business publications stimulates exchange of business or marketing information. Obviously, there are a good many alternate routes that could be followed.

As well as increased sales in each other's markets, this process could also lead to further expansion in the future through exploration of new trading techniques, or the reexamination of existing trade tools for application to trade between the United States and these nations. To cite one example, it may be that the technique of switch trading—which is proving useful elsewhere—could have an application. As I have suggested, however, time, effort, and experience must interact before such specifics emerge.

The essential aim in this current period is to get the ball moving—to allow the dynamics of peaceful international commerce to come fully into play here as in other areas of world trade that have seen such surging expansion.

Past this point, I cannot stress strongly enough the primary role of American business in this whole process of growth. While the government-to-government aspects of world trade can be decisive, the fact remains that in our system there is no business without business.

From a great many indications, there is indeed at the present time impressive and growing interest in the American business community in the potentials of East-West trade, just as an increasingly favorable commercial climate appears to be emerging in the nations of this region.

International cooperative efforts under way today also hold promise of important progress in the vital field of industrial property, particularly in connection with patents.

This is a complex and difficult area where material accomplishment comes slowly, but the plusses to date are encouraging. They include:

Soviet accession to the International Convention for the Protection of Industrial Property, or Paris Convention, the leading international treaty in the patent and trademark field.

Subsequent USSR and Eastern European support for the U.S. proposal, in the Executive Committee of the Paris Convention, that set in motion current detailed consideration of an international patent cooperation treaty.

Formation of a state trading agency known as Licensintorg in the Soviet Ministry of Foreign Trade to handle foreign licensing matters including promotion of export-import arrangements in this field.

And issuance of basic Soviet publications in this field in English translation.

These are positive steps in an area that bears particularly on trade in the new products and processes that are staples in U.S. business overseas. In particular, they stimulate the confidence that is fundamental to increased commerce.

So, in summary, what we see today throughout this broad field of U.S. trade with the USSR and Eastern Europe are new activity, new interest, new developments. The picture is one of movement, and the direction is toward expansion and liberalization. We are increasingly talking of contracts rather than contrasts.

One very significant part of the picture is the notably increased national interest and national debate on this vital subject across the United States—by business groups, in the newspapers, at meetings such as this one,

and among the general public. I applaud this, both because healthy, vigorous national dialogue—pro or con—is at the very heart of our democratic process, and because the views expressed by the business community and others provide important contributions to the President and the Congress in their considerations and decisions affecting East-West trade. I hope that this discussion can separate the myths and the realities of the situation, and that our policy directions are based on realistic appraisals rather than emotional reactions.

All that we have said notwithstanding, I believe it is abundantly clear that the numerous diverse influences on the future of East-West trade that we have been discussing remain subordinate in impact to one single central determinant. I am referring, of course, to the general climate of relations between the United States and these nations.

In this regard, President Johnson has expressed United States hopes and intentions in a brief, historically eloquent declaration: "Our objective," he said, "is not to continue the Cold War, but to end it."

In the years to come, mounting traffic across the bridge of commerce between our nations could be one very effective element in achieving this objective for our own people and all of the peoples of the world.

RUMANIA WILL AGAIN BE FREE

Mr. YOUNG of Ohio. Mr. President, on May 10, 1877, independence came to Rumania. May 10 stands as a symbol of a proud history and of freedom valiantly won. Rumanian Independence Day, 1967, however, is marked with mixed emotion. It is with pride that we note the fortitude and courage of the Rumanian people as reflected by their history. It is also a source of pride that here in America citizens of Rumanian extraction have contributed those noble qualities to our national life.

However, it is disheartening that this holiday cannot be celebrated within the boundaries of a nation whose history is so steeped in love of freedom. The Communist dictatorship imposed by the Soviet Union on the Rumanian people has ripped this day from the calendar just as it has torn freedom away from that once proud and happy land. Today in Rumania dissent is not tolerated; freedom does not exist.

The Communist dictatorship has tried to force the people to forget this day and their proud history. There will be no singing of the national anthem today in Bucharest, but we know that love of freedom persists in Rumania. It is for us here to give voice to the thoughts and desires which Rumanians cannot express in their own homeland.

Rumanians have known oppression before in their long history. Theirs is a nation of a great history and noble tradition. Let the Communist dictators be reminded that Rumania lived under the tyranny of the Ottoman Turks for 400 years. Since the time of Peter the Great it has been invaded 10 times by power-hungry neighbors, including Russia. However, the Rumanian people finally won their freedom, and for six decades stood proud as a free nation. They will once again take their proper place among freedom-loving peoples and free nations. Freedom won after centuries of

struggle and once enjoyed in happier days cannot remain suppressed.

We look forward with them to the day when they will be free. Our prayer is that on another May 10 in the not too distant future, Rumania will once again stand proud among the family of free nations.

LAW DAY ADDRESS BY SENATOR SPONG

Mr. TYDINGS. Mr. President, on Law Day every year the Nation is reminded of the vital role of the law and the lawyer in the functioning of our society. On May 1, 1967, the distinguished Senator from Virginia [Mr. SPONG] addressed the Roanoke, Virginia, Bar Association. He called on the members of the bar to expand on their traditional role of leadership and to engage in "a wider range of participation" and "a new kind of commitment to persevering and guiding today's changing society."

In particular, the junior Senator from Virginia charged the legal profession with the responsibility of applying its capacity for objective and unemotional reasoning to the solution of the pressing problems that face us today. Mr. President, I agree with the Senator's conclusion that the lawyers of the country have much to contribute to our society beyond their activities within the profession itself. Senator SPONG spoke from personal conviction and experience that is rooted in his longstanding involvement in civic and bar affairs. Prior to his election to this body he was scheduled to serve this year as president of the Virginia State Bar Association.

Mr. President, I commend to Senators and to the members of the legal profession throughout the country Senator SPONG's excellent address before the Roanoke Bar Association. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR SPONG

This afternoon I should like to examine briefly the lawyer's traditional role in society against the background of some of the major problems presently facing the United States at home and abroad.

We lawyers are often reminded that we possess, or are thought to possess, a set of characteristics which uniquely equip us to perform important leadership services to society: an understanding of society derived from broad contact with many of its various segments, an analytical approach to its problems, an ability to see the possible validity of different conflicting alternatives, an objectivity in evaluating their respective merits, and a capacity for realism—for recognition of the possible. Lawyers, we are told, can disagree without being disagreeable; they can resolve seemingly unresolvable conflicts.

These qualities have been attributed to us as lawyers and we have been considered particularly well suited to perform certain leadership functions vitally important to a Democracy—to mediate between the divergent forces of society and to bind them together so that society can continue as a viable entity. John W. Davis, a thoughtful and scholarly attorney of national repute, speaking of the lawyer's role in an earlier and more stable period in our country's history, said:

"True, we build no bridges. We raise no towers. We construct no engines. We paint no pictures—unless as amateurs for our principal amusement. There is little of all that we do which the eye of man can see. But we smooth out difficulties; we relieve stress; we correct mistakes; we take up other men's burdens and by our efforts we make possible the peaceful life of men in a peaceful state. We may not construct the levers, pistons and wheels of society, but we supply the lubrication that makes its even running possible."

And, even earlier, in the first half of the Nineteenth Century, the French philosopher De Toqueville recognized a unique place for the lawyer in our American democracy when he wrote:

"The profession of the law is the only aristocracy that can exist in a democracy without doing violence to its nature." But, how valid are these observations on the lawyer's role in society in light of today's problems?

Last Friday, General Westmoreland confidently predicted ultimate victory for his troops should they continue to receive the support of those on the home front. The enemy, he stated, believed our Achilles heel is our national resolve. It is obvious that those in Hanoi—who in past weeks have rebuffed overtures for peace talks from the President, from U Thant and most recently from the Canadians—believe that we will prove no different from the French, that ultimately the war will become politically unacceptable in Washington, just as it once did in Paris, and ultimately we will withdraw.

Never in our history have we faced a crucial national matter which more excited divergent passions than the Vietnamese war. Yet never have we faced a situation—except briefly perhaps in the Cuban missile crisis—which demanded cool heads, iron nerves, understanding of issues, evaluation of the enemy and realistic appreciation of the consequences of our moves and the enemy's countermoves.

If our resolve deteriorates, if the communists can back us down by fear, attrition or internal division, the implications for the future of the free world are grim to contemplate. For, if the communist world finds that our pledge to stand and fight is but a hollow bluff, the credibility of our deterrent shield will be broken. That we mean what we say is the major force which has checked the spread of communism in all parts of the globe.

But the holocaust we seek to avoid by proving our determination will just as surely come upon us if we become too reckless in our application of power. As we approach the point where only a few more steps may force the hand of China and Russia, our own hand must become ever steadier and our judgment ever more precise.

And all the while swirls around us the more emotional and piteous cries of those who say we must withdraw and the more angry and strident demands of those who say we must indiscriminately spread the war.

Here at home we face poverty, ignorance, disease and crime in the core cities of our metropolitan areas. And we have come to fear the long, hot summers of unrest and violence, or racial tensions and riots in our city streets.

Domestic problems are not confined to city limits. Those who have fled the core cities face threats that do not respect geographic boundaries—air and water pollution, traffic problems resulting from automobiles being produced faster than highways can be constructed to accommodate them.

Our rapidly expanding population finds itself, ironically, threatened by the harmful side effects of many activities which are carried on for our benefit. Air, water, soil and wildlife are being consumed and blighted in frightening proportions. The Los Angeles

smog and the New York water shortage are not isolated events. They are the first symptoms of disaster caused by our rapid growth which can and will sweep the country unless intelligently dealt with.

Our ancestors could move West in the face of these problems—but this is no longer an avenue of escape. There is a real and menacing danger that, unless we face up to this set of problems squarely and forthrightly and immediately, our children will not have sufficient fresh water to drink, pure air to breathe or natural beauty to enjoy.

As countless local, state and national laws and regulations are passed to fight air and water pollution, to make automobile travel safer, to zone, to preserve and conserve natural beauty, we are reminded of John Stuart Mill's observation concerning the eternal struggle between liberty and authority.

No government can be effective unless the people have confidence in their appointed and elected representatives. This confidence has undergone a severe strain on the national level in the past few years.

The month of April has been spent in the Senate debating the controversial Presidential Campaign Fund Act of 1966. There is genuine concern today regarding the cost of campaigning for high public office, concerning disclosure of the source of campaign funds and the use of political funds for private purposes.

And there is also concern regarding conflict of interests, nepotism, disclosure of assets and income and outside business activities by Congressional employees. The problem of ethics in government is by no means confined to the national scene. The very population growth and development earlier mentioned has created new temptations in every state and locality.

What I have said about Viet Nam, about the new areas which government on all levels will occupy, and about the apparent lack of appreciation for necessary adherence to the highest standard of propriety by all those in public life has particular implications for the legal community.

The traditional commitment of a lawyer to his cause and to his client, no matter how long or hard the proceeding, equips him to provide our society with some of the determination and staying power needed in our struggle in Viet Nam.

And he should be able to help the more confused elements of our population. Once the consequences of withdrawal or unrestrained application of power are grasped and stripped of emotionalism, the narrow road we have to walk should be obvious. I would urge the members of the bar to help carry forward to the American people the case for determined reason.

The new facts of domestic existence in the last third of the Twentieth Century are capable of legal proof. I have spoken of the increasing population, diminishing water resources, polluted air, desperate urban slums, and disappearing woods and wildlife. Once the evidence is presented the lawyer should be able to reach logical conclusions concerning the necessity and methods for dealing with them. Again his training should allow him to dissect and evaluate the modern appropriateness of the traditions handed down to us from the frontier and the wilderness—traditions forged by the same kind of people but in a different set of facts. He should be able to retain the features which are inherent in our personal characteristics while developing the best new tools to deal with the problems of today. This requires thought, study and application by many who feel they have no place in the world of politics. No one of you with talent has the right to sit disinterested and self-satisfied on the sidelines.

In the field of proper conduct for those on every level in public life, it is becoming in-